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botanix PHARMACEUTICALS

ACN: 009 109 755

ANNUAL REPORT

for the year ended 30 June 2024

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

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This financial report covers Botanix Pharmaceuticals Limited ("Botanix" or the "Company") and its subsidiaries. The financial report is presented in Australian dollars.

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BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

CORPORATE INFORMATION

Directors
Mr Vincent Ippolito
Executive Chairman

Mr Matthew Callahan
Executive Director

Dr William Bosch
Non-executive Director

Dr Stewart Washer
Non-executive Director

Mr Danny Sharp
Non-executive Director

Company Secretary
Ms Susan Park

Chief Financial Officer
Mr Graeme Morissey

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ASX Code: BOT

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PERTH WA 6000

Bankers
NAB
100 St Georges Terrace
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DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the financial statements of the Group consisting of Botanix Pharmaceuticals Limited and the entities it controlled during the period for the financial year ended 30 June 2024, in order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Mr Vincent Ippolito	Executive Chairman
Mr Matthew Callahan	Executive Director
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director

DIRECTORS

The names and details of Directors in office at the date of this report are:

Mr Vincent Ippolito
Executive Chairman – (appointed 18 July 2019)

EXPERIENCE AND EXPERTISE

Mr Ippolito has more than 35 years of experience in the pharmaceuticals industry, including over 20 years' experience in dermatology. He most recently served as President and Chief Operating Officer of Dermavant Sciences, a specialty biopharmaceutical company that is commercialising products which treat inflammatory skin diseases and medical dermatologic conditions.

Prior to his role at Dermavant Sciences, Mr Ippolito served as the Chief Commercial Officer and Executive Vice President of Anacor Pharmaceuticals, a dermatology-based biopharmaceutical company. During his time at Anacor he was responsible for building the marketing and sales functions, and developing the company's product portfolio, as well as playing a key role in the US$5.2bn sale to Pfizer.

Earlier in his career, Mr Ippolito launched multiple new dermatology products during his tenure at Medicis Pharmaceutical Corporation, an industry-leading dermatology company. Mr. Ippolito served in multiple key executive roles, including Chief Commercial Officer, General Manager of Dermatology products, Senior Vice President of North American Sales and Executive Vice President, Sales and Marketing. Mr Ippolito played a key role in the sale of Medicis to Valeant for US$2.6bn in 2012 and he went on to serve as Senior Vice President, General Manager, Aesthetics.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

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Mr Matthew Callahan

Executive Director – (appointed 1 July 2016, resigned 23 August 2019 and re-appointed 10 February 2020)

EXPERIENCE AND EXPERTISE

Mr Callahan is an experienced life sciences executive based in Philadelphia and a founder of Botanix. He has been the founding CEO or Executive Director of a number of ASX listed and private pharmaceutical and health tech companies, including iCeutica Inc, Churchill Pharmaceuticals LLC, Dimerix Biosciences Ltd, Orthocell Ltd, Respirion Pharmaceuticals Pty Ltd, Rumin8 Pty Ltd and Emyria Ltd.

Mr Callahan has led the development and commercialization of several products that have received FDA and other global regulatory approvals, he has more than 25 years of industry, IP and legal experience. Mr Callahan has also worked as an investment director for two venture capital firms investing in life sciences, technology and other sectors, and was responsible for the licensing programs that generated more than $120 million in revenue with QPSX/Nearmap.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Emyria Limited (appointed 19 March 2018, resigned 21 August 2023)

Orthocell Limited (appointed 30 May 2006, resigned 23 October 2019. Re-appointed 10 February 2020, resigned 15 January 2024)

Dr William Bosch

Non-executive Director – (appointed executive director 1 July 2016, non-executive from 1 July 2023)

EXPERIENCE AND EXPERTISE

Dr Bill Bosch is an accomplished pharmaceutical executive with more than 30 years of experience and industry leadership in pharmaceutical R&D. Dr. Bosch served as CSO of iCeutica where he was the principal architect of SoluMatrix™ drug delivery technology, used in four FDA-approved prescription drug products. Earlier in his career Dr Bosch was a pioneer in the application of nanotechnology to pharmaceutical product development. He served as a co-founder of NanoSystems LLC in 1995 and co-inventor of NanoCrystal® Technology, leading to the successful development and FDA approval of seven prescription drug products for a variety of indications and routes of administration.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

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Dr Stewart Washer

Non-executive Director – (appointed 21 February 2019)

EXPERIENCE AND EXPERTISE

Dr Washer has CEO and board experience in medical biotech and device companies. He has founded a number of ASX listed and private companies and was recently executive chairman of Emyria Limited (ASX: EMD), , chairman of Orthocell Limited (ASX: OCC), and founding chairman and director of Cynata Therapeutics Limited (ASX: CYP).

Dr Washer chaired Hatchtech Pty Ltd that was sold in 2015 for A$279m and was a director of iCeutica that was sold to US private equity investors in 2010. He has been a Senator with Murdoch University and a director of AusBiotech Ltd.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Zelira Therapeutics Limited (appointed 17 November 2016, resigned 2 December 2019)

Cynata Therapeutics Limited (appointed 28 February 2017, resigned 1 July 2023)

Orthocell Limited (appointed 7 April 2014 resigned 22 December 2023)

Emyria Limited (appointed 19 March 2018 resigned 21 November 2023)

Mr Danny Sharp

Non-executive Director – (appointed 22 March 2022)

Mr Sharp is an investment banker with more than 30 years' experience in capital markets globally, advising the boards of technology and healthcare-based organisations. He also has significant experience in sourcing and servicing both of institutional and private wealth investors globally. Mr Sharp was a Corporate Finance Executive Director of Canaccord Genuity for 8 years and previously spearheaded the Corporate Finance departments at both Shaw and Partners and Lodge Partners.

He is currently a non-executive Director of health informatics company Alcidion Group Ltd (ASX: ALC) and on the Investment Committee of the Baker Heart and Diabetes Institute Foundation. He holds a Bachelor of Economics and Law and is a CFA Charter Holder.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Alcidion Group Ltd (appointed 1 September 2021)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

ImpediMed Ltd (appointed 1 July 2023, ceased 28 September 2023)

Race Oncology Ltd (appointed 5 December 2022, resigned 29 June 2023)

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COMPANY SECRETARY

Ms Susan Park
Company Secretary (appointed 17 April 2023)

Ms Park is a governance professional with over 25 years' experience in the corporate finance industry and extensive experience in Company Secretary and Non-Executive Director roles in ASX, AIM and TSX listed companies. Ms Park holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors. She is also a Fellow of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia. She is currently Company Secretary of several ASX listed companies.

CHIEF FINANCIAL OFFICER

Mr Graeme Morissey
Chief Financial Officer (appointed 26 March 2024)

Mr Morissey has over 17 years' experience with senior roles at international accounting firms including Grant Thornton in Canada and Australia as well as KPMG Australia and EY Australia. Throughout his career, Mr Morissey has worked with more than 40 ASX-listed companies supporting audit and other financial functions. More recently, Mr Morissey has occupied CFO positions at a number of ASX listed companies. Mr Morissey is a member of the Chartered Accountants Australia & New Zealand.

PRINCIPAL ACTIVITIES

Botanix Pharmaceuticals Limited (ASX: BOT) is a dermatology company based in Philadelphia and Phoenix (US) which recently secured FDA approval for its lead product *Sofdra*™ (sofpironium) topical gel, 12.45%, a prescription anticholinergic medicine used on the skin (topical), to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older.

Sofdra is the first and only new chemical entity approved by the FDA to treat primary axillary hyperhidrosis ("hyperhidrosis") and presents a novel safe and effective solution for patients who have lacked treatment options for this socially challenging medical condition.

Hyperhidrosis is a condition characterised by abnormally increased sweating, beyond that required to regulate body temperature.[1] The disproportionate sweat production that characterises hyperhidrosis, results in a disabling medical condition with profound effects on the patient's quality of life. Hyperhidrosis affects work productivity, daily routine activities, emotional well-being and personal relationships.[2] Hyperhidrosis is the third largest dermatology condition (after acne and atopic dermatitis), with approximately 10 million patients in the US who have primary axillary hyperhidrosis.[3]

[1] Oshima Y, Tamada Y. Classification of systemic and localized sweating disorders. In: Yokozeki H, Murota H, Katayama I, editors. Perspiration research. Current problems in dermatology, vol 51. Basel: Karger; 2016. p. 7–10
[2] Hamm H, Naumann MK, Kowalski JW, Kutt S, Kozma C, Teale C. Primary focal hyperhidrosis: disease characteristics and functional impairment. Dermatology. 2006;212(4):343–353. doi: 10.1159/000092285
[3] Dolittle, et al, 2016, Hyperhidrosis: an update on prevalence and severity in the United States, Archives of Dermatology Research

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Botanix is currently preparing to launch *Sofdra* in the United States. An early patient experience program will roll out in late Q3 CY2024 to engage highly qualified patients with hyperhidrosis and allow them to gain early access to *Sofdra*. These patients will be guided through the telemedicine and payer reimbursement process to be the first commercial users of the product. Broader launch of *Sofdra* is expected to follow in Q4 CY2024.

RESULTS AND FINANCIAL POSITION

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has generated a comprehensive loss after tax for the year ended 30 June 2024 of $13,709,868 (30 June 2023: $8,917,281). The net loss is attributable primarily to the expenditure in relation to advancing regulatory approval activities and costs for *Sofdra* (sofpironium) topical gel, 12.45%. The Group had a net working capital surplus of $79,169,230 at 30 June 2024 (30 June 2023: $12,093,632) and experienced net cash outflows from operating activities for the year of $8,127,282 (30 June 2023: $12,074,064).

At 30 June 2024, the Group had a cash balance of $79,308,130 (30 June 2023: $10,250,395). The Directors believe that there are sufficient funds to meet the Group's working capital requirements. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and have confidence in the Company's ability to raise additional funds if required.

DIVIDENDS

There were no dividends paid or declared during the year (30 June 2023: Nil).

OPERATING AND FINANCIAL REVIEW AND FUTURE PROSPECTS

OPERATIONAL REVIEW

Overview

During the 12-month period, Botanix made significant progress with its lead asset *Sofdra* (sofpironium) topical gel, 12.45% which was approved by the FDA in late June 2024 is a prescription anticholinergic medicine used on the skin (topical), to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older.

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***Sofdra*™ (sofpironium) topical gel, 12.45%**

Botanix's lead asset is *Sofdra*, a topically applied gel for the treatment of primary axillary hyperhidrosis (a medical condition that causes excessive underarm sweating), which affects 10 million individuals in the US alone. Phase 3 clinical studies were completed successfully, and primary and secondary efficacy endpoints achieved with a high degree of statistical significance, which paved the way for FDA approval granted on 18 June 2024.

Sofdra regulates sweating at the site of application, by binding to the primary sweat receptor and thereby blocking the sweat signal. The gel is delivered to the underarms using a patented applicator, which is similar to the 'roll on' commonly used in antiperspirants, which allows the patient to avoid direct drug contact with their hands. The drug is designed to be rapidly metabolized by the body as it passes through into the blood stream, (rather than traveling around the body and affecting other organs), and this is associated with reduced incidence, severity, and duration of side effects of the drug.

Two pivotal Phase 3 'CARDIGAN' studies evaluated the efficacy and safety of *Sofdra* versus vehicle in patients with primary axillary hyperhidrosis. In the studies, treatment with *Sofdra* successfully met all primary and secondary endpoints with clinically and statistically meaningful changes from baseline to day 43 in Gravimetric Sweat Production (GSP) and the Hyperhidrosis Disease Severity Measure-Axillary, 7-item (HDSM-Ax-7) score, a patient-reported sweat severity scale.

More than 700 patients were enrolled in the two Phase 3 studies and approximately 300 patients participated in a separate 48-week safety study of *Sofdra*. The majority of adverse events were mild to moderate and transient in nature. Based on these studies, the Company believes that *Sofdra* has the potential to be the best-in-class treatment for axillary hyperhidrosis, as existing therapies are less than ideal, either because of the lack of efficacy, an unfavourable side effect profile, systemic drug exposure, or produce pain from invasive injection procedures or severing of the nerves through surgery.

REVIEW OF OPERATIONS AND RESULTS

In the US, there are approximately 10 million subjects who suffer from primary axillary hyperhidrosis, which is the patient population in which the successful Phase 3 studies were conducted. Of those subjects, approximately 3.7 million subjects are actively seeking treatment. Even assuming a modest penetration of this population at the current price of competitive treatments (i.e., approximately US$7,200 per year), this provides a significant market opportunity for *Sofdra*.

The FDA approved *Sofdra*™ (sofpironium) topical gel, 12.45% on 18 June 2024.

In July 2023, Botanix paid US$8,250,000 to Fresh Tracks Therapeutics Inc (previously known as Brickell Biotech) to extinguish the contracted future milestone and royalty payments due to

Fresh Tracks under the Asset Purchase Agreement. The Company will retain an obligation to the head licensor, Bodor Laboratories, to pay a 5% royalty on net sales made by Botanix.

The Company continues to ramp up commercial launch preparation activities for *Sofdra* and is engaged with US payers (insurers) around contracting and pricing for the product, testing telemedicine and supply chain elements, finalising sales strategies, as well as preparing patient and physician-focused launch marketing and sales materials. Go-to-market media planning is also underway, focusing on developing an optimal digital media channel mix to refine, reach and motivate target audiences. Advertising creative and message exploration is advancing and the resulting campaign concepts will be validated and refined through physician and consumer research prior to launch. A CY2025 conference plan has also been developed to engage with key healthcare provider audiences.

Having successfully launched more than 30 dermatology products between them, Botanix's management team and Board have an unrivalled track record in commercializing products and exiting dermatology companies to larger partners.

Corporate

Three capital raisings were completed by Botanix during the financial year, totaling A$96,000,000. The first of these placements totaled A$12,500,000 gross proceeds from new and existing institutional and sophisticated investors. Proceeds of US$8,250,000 from this placement was used to extinguish future milestone and royalty payments due to the Company's partner Fresh Tracks—a move that could save up to $160,000,000 and prime the Company for potential M&A or partnership activity.

In December, Botanix finalised the placement of A$13,500,000 gross in new shares and then followed that with a $A70,000,000 gross raise in late June 2024, which was led by Botanix's existing institutional shareholders and included a significant number of new institutional investors. Proceeds from these placements are being applied towards preparation for commercial launch activities of *Sofdra* in the United States, as well as general working capital purposes and costs.

Complimenting these fundraises, and as a direct result of increases to the Company's share price throughout the period, the Group raised $4,854,969 from the exercise of options. Specifically, 48,664,095 of options were exercised at $0.09 and 6,000,000 of options were exercised at $0.0792.

As a result of its placements and the exercise of options as described above, the Company is well funded to bring *Sofdra* to market, including progressing with manufacturing, sales and marketing costs relevant to ramping up activity to achieve steady state sales of the product.

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***Sofdra* Important Safety Information & Indication**

Indication

Sofdra (sofpironium) topical gel, 12.45% is a prescription anticholinergic medicine used on the skin (topical) to treat excessive underarm sweating (primary axillary hyperhidrosis) in adults and children 9 years of age and older.

IMPORTANT SAFETY INFORMATION

***Sofdra* is for use on the skin in the underarm area only. Wash your hands right away after you apply *Sofdra*. Do not touch your underarms after applying *Sofdra*. *Sofdra* is flammable. Avoid heat and flame while applying *Sofdra*.**

Who should not use *Sofdra*?

Do not use *Sofdra* if you have certain medical conditions that can be made worse by taking an anticholinergic medicine such as glaucoma, severe ulcerative colitis (UC) or certain other serious bowel problems associated with severe UC, myasthenia gravis, and Sjogren's syndrome.

What should I tell my healthcare provider before using *Sofdra*?

- **Tell your healthcare provider about all of your medical conditions,** including bladder or kidney problems, problems passing urine, if you are pregnant or breastfeeding, or plan to become pregnant or breastfeed. It is not known if *Sofdra* will harm your unborn baby or pass into your breast milk.
- **Tell your healthcare provider about all the medicines you take,** including prescription and over-the-counter medicines, especially any anticholinergic medicines.

What are possible side effects of *Sofdra*?

Serious side effects may include:

- **Blurred vision.** Stop using *Sofdra*, call your healthcare provider right away, and do not drive or operate machinery or do hazardous work until your vision is clear.
- **New or worsened urinary retention.** Stop using *Sofdra* and call your healthcare provider right away if you experience difficulty urinating, urinating frequently, urination in a weak stream or drips, full bladder or difficulty emptying your bladder.

The most common side effects of *Sofdra* include dry mouth; blurred vision; pain, redness, swelling, itching, and irritation in the underarm area; dilation of the pupils of your eyes (mydriasis); and problems with urination. These are not all of the possible side effects of *Sofdra*. Call your doctor for medical advice about side effects.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088. You may also report side effects to Botanix at 1-866-763-6337.

Keep *Sofdra* and all medicines out of the reach of children.

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SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

OPERATIONAL RISKS

There are material risks, inherent in the pharmaceutical industry that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Botanix and the value of its shares. Some of these risks may be mitigated by Botanix's internal controls and processes but some are outside the control of Botanix, its directors and management. The material risks identified by management are described below:

Regulatory risks

The research, development, manufacture, marketing and sale of products developed by the Company are subject to extensive regulation by multiple government authorities and institutional bodies in the USA and other jurisdictions. Drug products must undergo a comprehensive and highly regulated development, trial and review process before receiving approval for marketing. The process includes a requirement for approval to conduct clinical trials, and the provision of data relating to the quality, safety and efficacy of the products for their proposed use. There is no guarantee that regulatory approvals to conduct clinical trials and/or to manufacture and market the Company's products will be granted.

If a product is approved, it may also be submitted for cost reimbursement approval to relevant agencies. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions. If the Company is unable to secure necessary approvals from regulatory agencies and institutional bodies to undertake its planned trials, market its products and obtain cost reimbursements for its products its future prospects and profitability is likely to be materially and adversely affected.

Mitigation measures employed by the Company include: engagement of suitably qualified and experienced persons with expertise in the regulation of drug products; regular review of evolving regulatory requirements and analysis of the Company's activities and plans against regulatory expectations in key jurisdictions; and ensuring that the expectations and uncertainties related to regulatory approvals, and the timing of such approvals, are included in business plans.

Manufacturing risk

The Company's development stage and planned commercial products are manufactured by contract manufacturing organisations engaged by Botanix for that purpose. The Company relies on supply relationships with third party organisations and partners for raw materials, packaging components and other consumables. An inability of these third party organisations to continue to supply the Company in a timely, economical and/or consistent manner could adversely impact on the progress of the Company's development programs and potentially on the financial performance of the Company.

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Mitigation measures employed by the Company include: performing rigorous due diligence on suppliers; engaging suppliers with strong track records and sufficient capability to meet the Company's foreseeable needs; and employing a senior manager responsible for managing and monitoring the performance of third parties including suppliers.

Market Risks

The Company is subject to a number of financial risks which arise as a result of its activities. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk- During the normal course of business the Company enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions there is exposure to fluctuations in foreign exchange rates. The principle currency risk faced by the business is the exchange rate between the Australian dollar and the US dollar. The Company holds cash denominated in US dollars and Australian dollars and may have material future expenditure in each of these currencies. Where possible, the Company matches foreign currency income and foreign currency expenditure as a natural hedge, holding foreign currency cash to facilitate this natural hedge. When foreign currency expenditure exceeds foreign currency revenue and foreign currency cash, the Company may consider purchasing foreign currency to meet anticipated requirements under spot and forward contracts.

Interest rate risk - The Company is exposed to changes in market interest rates as the Company holds cash and cash equivalents. The Company mitigates this risk through a series of term deposits structured to provide some certainty of financial returns.

Liquidity risk - The Company's financial liabilities, comprising trade and other payables and derivatives, are generally repayable within 1 – 3 months. The maturity and availability of financial assets, comprising cash and cash equivalents and trade and other receivables, are monitored and managed to ensure financial liabilities can be repaid when due.

Capital management - The Company monitors capital including share capital, retained earnings and reserves and the cash and cash equivalents presented in the consolidated statement of financial position. The Company has no debt. The key objective of the Company when managing its capital is to safeguard its ability to continue as a going concern, so that the Company can sustain the commercialisation and the future development of the research and development activities being performed by the Company.

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DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares, unlisted options and performance rights of the Company were:

	Shares		Options		Performance rights	
Director	**Directly**	**Indirectly**	**Directly**	**Indirectly**	**Directly**	**Indirectly**
Mr Vincent Ippolito	10,801,644	-	-	-	-	-
Mr Matthew Callahan	-	74,586,791	-	-	-	-
Dr William Bosch	18,836,702	-	-	-	-	-
Dr Stewart Washer	-	2,170,035	-	5,000,000	-	333,333
Mr Danny Sharp	2,131,313	-	4,000,000	-	333,333	-
Total	**31,769,659**	**76,756,826**	**4,000,000**	**5,000,000**	**333,333**	**333,333**

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors held during the year and the numbers of meetings attended by each Director are:

	Board Meetings	
Board of Directors	**Number held**	**Number attended**
Mr Vincent Ippolito	8	8
Mr Matthew Callahan	8	8
Dr William Bosch	8	8
Dr Stewart Washer	8	8
Mr Danny Sharp	8	8

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EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 12 July 2024, the Group issued 23,000,000 performance rights and 16,000,000 options and will issue an additional 3,000,000 options to staff and consultants working for Botanix. All these instruments have been accounted for in these financial statements as they were determined to be granted for accounting purposes in the 30 June 2024 period. Therefore, refer to note 13 of the financial statements for details to the terms, conditions and valuation of these instruments labelled as *Issuance #1* and *Issuance #2*.

On 4 September 2024, 2,000,000 options expiring on 12 September 2024 were exercised at $0.099 and 2,000,000 options expiring on 12 September 2024 were exercised at $0.132. Therefore, 4,000,000 ordinary shares of the Company were issued.

Other than the matters above there are no matters or circumstances which have arisen since the end of the year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL REGULATION

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the year ended 30 June 2024, the Directors have assessed that there are no current reporting requirements but have committed to develop an ESG framework in the future.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid premiums to insure the Directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNITY AND INSURANCE OF AUDITORS

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2024. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the following specified executives in the Company:

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Key Management Personnel for the year ended 30 June 2024

Directors:

Mr Vincent Ippolito	Executive Chairman
Mr Matthew Callahan	Executive Director
Dr William Bosch	Non-executive Director
Dr Stewart Washer	Non-executive Director
Mr Danny Sharp	Non-executive Director

Other Key Management Personnel:

Mr Howard McKibbon	Chief Executive Officer (appointed on 24 August 2023, previously Chief Commercial Officer)
Mr Graeme Morissey	Chief Financial Officer (appointed on 26 March 2024)

Remuneration Policy

The Company recognises the importance of structuring the remuneration packages of its Directors and executives to attract and retain people with the qualifications, skills and experience to help the company achieve the required objectives. However, the Company understands that whilst it is still in its current phase, a prudent position must be observed in the total remuneration expense.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology. Performance rights valued at the share price on grant date (in the absence of market based vesting hurdles).

Remuneration Governance

During the year remuneration issues were considered by the full Board. This included consideration of remuneration and incentive policies and practices and specific matters relation to remuneration packages and other terms of employment for executive Directors, other senior executives and non-executive Directors.

Non-executive Director Remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. non-executive Directors' fees and payments are reviewed by the Board.

The total amount paid to non-executive Directors is determined by the board from time to time for presentation to and resolution by shareholders in General Meeting. The current approved maximum aggregate remuneration payable to non-executive Directors is $300,000 per year.

The non-executive Directors are paid a set amount per year and receive reimbursement of expenses incurred on the company's behalf. Non-executive Directors may also receive consultancy fees, at normal commercial rates, where appropriate expertise and time commitment is required, such additional amounts being approved by the Board.

Long-term performance incentives comprise options and performance rights granted to align the objectives of non-executive Directors with shareholders and the Company. The issue of options and performance rights to non-executive Directors requires shareholder approval.

Executive Remuneration

Remuneration packages for the executive Directors and senior executives are designed by and approved by the Board. The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by, and approved by the Board.

Senior executives when employed receive a fixed salary, bonus payments based on Board review of performance, options or performance rights.

Performance-Based Remuneration

Where appropriate the Board may set key performance indicators for executive Directors and employees which provide for the payment of bonuses if partially or fully met. There is no direct correlation between the Company's performance and fixed remuneration paid to executive Directors and employees. Certain Directors are eligible to receive a bonus based on meeting objectives related to clinical studies advancement; registration; commercialisation; investor relations; business development activities; and corporate strategy and development. The outcome of these milestones and / or payment of bonuses is at the complete discretion of the Board.

When the Board deems it appropriate to, equity-based remuneration may be granted to Directors, employees and consultants (subject to shareholder approval if appropriate).

Relationship between the remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives.

The Company operates an Employee Securities Incentive Plan ("ESIP") for eligible participants of the Group.

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Under the ESIP, the Company may, at the discretion of the Directors, offer eligible participants securities on the terms and conditions stated in an offer letter. A security granted under the ESIP may be a plan share, option, performance right or other convertible security as defined in the ESIP. In considering grants under the ESIP the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

A participant in an equity-based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the equity-based remuneration plan.

The Company aims to align our executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2020	**2021**	**2022**	**2023**	**2024**
(Loss) for the year attributable to owners	($16,731,183)	($3,405,015)	($12,982,549)	($8,917,281)	($13,709,868)
Basic loss per share (cents)	(1.79)	(0.34)	(1.35)	(0.79)	(0.92)
Share price	$0.04	$0.08	$0.06	$0.13	$0.35
Dividends paid	-	-	-	-	-

Security based payment arrangements granted to date

Options

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when the options were issued or agreed to be issued.

Each share option converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

Options granted may vest on issue or progressively over the life of the options as decided by Directors when making an offer under the ESIP. Options granted under the ESIP usually expire within forty-eight months of issue. Unvested options expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

Performance rights

In accordance with the provisions of the ESIP, Directors, executives and employees have been granted performance rights to purchase ordinary shares at nil cost as determined by the Board with regard to the market value of the shares when the performance rights were issued or agreed to be issued.

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Each performance right converts into one ordinary share of the Company on exercise. No amounts were paid to the Company by the recipient on receipt of the performance right. The performance rights carry neither rights to dividends nor voting rights. Performance rights may be exercised at any time from the date of vesting to the date of expiry.

Performance rights granted may vest on issue or progressively over the life of the performance rights as decided by Directors when making an offer under the ESIP. Performance rights granted under the ESIP usually expire within forty-eight months of issue. Unvested performance rights expire immediately on the resignation of the eligible participant, unless otherwise determined by the Board.

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DIRECTORS' REPORT (CONTINUED)

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the Key Management Personnel (as defined in AASB 124 *Related Party Disclosures)* of Botanix Pharmaceuticals Limited are set out in the following tables:

Key Management Personnel of Botanix Pharmaceuticals Limited

2024	Short Term Benefits				Post-Employment Benefits	Share Based Payments			
Key Management Personnel	**Salary and Fees $**	**Bonuses $(1)**	**Insurances $**	**Leave Movements $**	**Superannuation $**	**Options $**	**Performance Rights $**	**Total $**	**Performance Based %**
Directors									
Mr V Ippolito	320,226	330,388	21,597	(4,809)	13,141	-	(67,845)	612,698	42.9
Mr M Callahan	396,698	-	-	-	-	-	(39,576)	357,122	(11.1)
Dr W Bosch	244,122	-	-	-	-	-	(16,961)	227,161	(7.5)
Dr S Washer	55,000	-	-	-	6,050	11,831	(11,308)	61,573	(18.4)
Mr D Sharp	65,000	-	-	-	-	34,801	(11,308)	88,493	(12.8)
Total - Directors	**1,081,046**	**330,388**	**21,597**	**(4,809)**	**19,191**	**46,632**	**(146,998)**	**1,347,047**	**13.6**
Executives									
Mr G. Morissey	27,146	-	-	-	-	84,203	-	111,349	75.6
Mr H. McKibbon	602,171	406,632	9,291	(8,035)	15,898	52,148	2,845,708	3,923,813	82.4
Total - Executives	**629,317**	**406,632**	**9,291**	**(8,035)**	**15,898**	**136,351**	**2,845,708**	**4,035,162**	**82.2**
Grand Total	**1,710,363**	**737,020**	**30,888**	**(12,844)**	**35,089**	**182,983**	**2,698,710**	**5,382,209**	**65**

(1) Refer 'Short term incentives' component of the Remuneration Report further below.

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DIRECTORS' REPORT (CONTINUED)

2023	Short Term Benefits				Post-Employment Benefits	Share Based Payments			
Key Management Personnel	**Salary and Fees $**	**Bonuses $**	**Insurances $**	**Leave Movements $**	**Superannuation $**	**Options $**	**Performance Rights $**	**Total $**	**Performance Based %**
Directors									
Mr V Ippolito	430,793	(89,130)[1]	20,191	(1,028)	4,028	-	319,842	684,696	33.7
Mr M Callahan	385,518	-	-	-	-	-	186,574	572,092	32.6
Dr W Bosch	235,432	-	-	-	-	-	79,961	315,393	25.4
Dr S Washer	55,000	-	-	-	5,775	14,062	53,307	128,144	52.6
Mr D Sharp	65,000	-	-	-	-	98,066	53,307	216,373	70.0
Total - Directors	**1,171,743**	**(89,130)**	**20,191**	**(1,028)**	**9,803**	**112,128**	**692,991**	**1,916,698**	**37.4**
Executives									
Mr G Morissey	-	-	-	-	-	-	-	-	-
Mr H McKibbon	542,205	-	2,060	27,110	16,272	189,208	285,151	1,062,005	44.7
Total - Executives	**542,205**	**-**	**2,060**	**27,110**	**16,272**	**189,208**	**285,151**	**1,062,005**	**44.7**
Grand Total	**1,713,948**	**(89,130)**	**22,251**	**26,082**	**26,075**	**301,336**	**978,142**	**2,978,704**	**40.0**

1 Represents a bonus that was accrued in the 30 June 2022 period but was discretionary and not paid at the election of the Board.

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Shareholdings of Key Management Personnel

The movement in the number of ordinary shares of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities for the year ended 30 June 2024 is as follows:

		Other Movements during the year			
Directors	**Held at 1 July 2023**	**Exercise of Options**	**Conversion of Performance Rights**	**Acquisition via placement**	**Held at 30 June 2024**
Mr V Ippolito	10,801,644	-	-	-	10,801,644
Mr M Callahan	74,586,791	-	-	-	74,586,791
Dr W Bosch	18,836,702	-	-	-	18,836,702
Dr S Washer	2,170,035	-	-	-	2,170,035
Mr D Sharp	2,131,313	-	-	-	2,131,313
Mr G Morissey	-	-	-	-	-
Mr H McKibbon	4,000,000	-	-	-	4,000,000
Total	**112,526,485**	**-**	**-**	**-**	**112,526,485**

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Option holdings of Key Management Personnel

The movement in the number of options of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities for the year ended 30 June 2024 is as follows:

Name and Grant date	Held at 01-Jul-2023	Granted as Compensation	Options Exercised	Options Lapsed	Options Expired or Cancelled	Held at 30-Jun-2024	Vested and Exercisable	Unvested
Mr V Ippolito								
18/7/2019	12,000,000	-	-	-	(12,000,000)	-	-	-
Mr M Callahan	-	-	-	-	-	-	-	-
Dr W Bosch	-	-	-	-	-	-	-	-
Dr S Washer								
22/3/2022	5,000,000	-	-	-	-	5,000,000	5,000,000	-
Mr D Sharp								
21/3/2022	4,000,000	-	-	-	-	4,000,000	2,666,666	1,333,334
Mr H McKibbon								
7/10/2021	500,000	-	-	-	-	500,000	333,333	166,667
23/3/2022	10,000,000	-	-	(666,667)(1)	-	9,333,333	5,320,000	4,013,333
Mr G Morissey	-	-	-	-	-	-	-	-
20/6/2024	-	1,000,000	-	-	-	1,000,000	500,000	500,000
Total	**31,500,000**	**1,000,000**	**-**	**(666,667)**	**(12,000,000)**	**19,833,333**	**13,819,999**	**6,013,334**

(1) Lapsed but not yet cancelled as at 30 June 2024.

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Performance rights holdings of Key Management Personnel

The movement in the number of performance rights of Botanix Pharmaceuticals Limited held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally-related entities for the year ended 30 June 2024 is as follows:

Name and Grant date	Held at 01-Jul-23	Granted as Compensation	Rights Exercised	Rights Lapsed(1)	Rights Expired or Cancelled	Held at 30-Jun-2024	Vested and Exercisable	Unvested
Mr V Ippolito								
23/11/2022	2,000,000	-	-	(2,000,000)	-	-	-	-
Mr M Callahan								
23/11/2022	1,166,667	-	-	(1,166,667)	-	-	-	-
Dr W Bosch								
23/11/2022	500,000	-	-	(500,000)	-	-	-	-
Dr S Washer								
23/11/2022	666,667	-	-	(333,334)	-	333,333	333,333	-
Mr D Sharp								
23/11/2022	666,667	-	-	(333,334)	-	333,333	333,333	-
Mr G Morissey	-	-	-	-	-	-	-	-
Mr H McKibbon								
29/12/2022	2,000,000	-	-	(2,000,000)	-	-	-	-
25/08/2023	-	56,000,000	-	-	-	56,000,000	-	**56,000,000**
Total	**7,000,001**	**56,000,000**	**-**	**(6,333,335)**	**-**	**56,666,666**	**666,666**	**56,000,000**

(1) Lapsed but not yet cancelled as at 30 June 2024.

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Terms and conditions of the share-based payment arrangements

Options

The number of options over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2024 is shown above. The options carry no dividend or voting rights. The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per option at grant date	% Vested
7/10/2021	500,000	1/3 vest 12 months from date of issue 1/3 vest 24 months from date of issue 1/3 vest 36 months from date of issue	7/10/24	$0.089	$0.030	100%
21/3/2022	4,000,000	Progressively over 3 years, 33.33% at each anniversary starting from 22/3/2022 based on continued service	22/3/25	$0.094	$0.037	67%
22/3/2022	10,000,000	2,640,000 12 months from date of issue, 2,680,000 24 months from date of issue, 2,680,000 36 months from date of issue, 666,666 on first launch of Sofdra 666,667 on achieving US$50m of revenues 666,667 on closing the acquisition of a new FDA approved asset for launch by Botanix in late 2023 All based on continued service.	14/4/25	$0.072	$0.037	60%[1]
22/3/2022	5,000,000	1,000,000 on issue, 2,000,000 12 months from date of issue, 2,000,000 months from date of issue based on continued service	22/3/25	$0.102	$0.031	100%
20/6/2024	1,000,000	1/2 on FDA approval of Sofdra; 1/4 12-months following FDA approval of Sofdra; 1/4 24-months following FDA approval of Sofdra. All based on continued service.	12/07/27	$0.364	$0.174	50%

1 666,667 on closing the acquisition of a new FDA approved asset for launch by Botanix lapsed on 31 December 2023. 2,680,000 vested during the 30 June 2024 period after achieving 24 months of continued service from date of issue.

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Performance rights

The number of performance rights over ordinary shares in the Company provided as remuneration to Key Management Personnel on issue at 30 June 2024 is shown above. The performance rights carry no dividend or voting rights. The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting timing and conditions	Expiry date	Exercise price	Fair value per right	% Vested
29/12/2022	6,000,000	1/3 on receipt of Day 74 letter; 1/3 on mid-cycle review and 1/3 on FDA approval.	30/11/26	Nil	0.057	100%[1]
23/11/2022	13,000,000	1/3 on receipt of Day 74 letter; 1/3 on mid-cycle review and 1/3 on FDA approval.	30/11/26	Nil	0.063	100%[2]
25/08/2023	56,000,000	Tranch1 (9,333,334) – 12 months following FDA approval of Sofdra, provided that the FDA approved label for Sofdra includes efficacy and safety data that supports promotion in the US market; Tranche 2 (9,333,333) – the later of the date that is 12 months after the vesting date of Tranche 1 or 30 December 2025, provided that Sofdra has been launched commercially in the US and the Company has also established a distribution network that is effectively providing reimbursed prescriptions to patients; Tranche 3 (9,333,333) - 12 months after the vesting date of Tranche 2, provided that the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhidrosis and the Company is also generating revenue as a direct result from the utilization of the telehealth platform; Tranche 4 (7,000,000) - achieving US$45 million of revenue from sales of Sofdra in a financial year; Tranche 5 (7,000,000) - achieving US$100 million of revenue from sales of Sofdra in a financial year; • Tranche 6 (7,000,000) - achieving US$150 million of revenue from sales of Sofdra in a financial year; and • Tranche 7 (7,000,000) - achieving US$250 million of revenue from sales of products in a financial year. All tranches require continued service.	31/08/2028	Nil	$0.185	0%

1 2,000,000 lapsed on 31 December 2023 as FDA approval was not obtained by that date. Remaining rights have vested.
2 4,333,335 lapsed on 31 December 2023 as FDA approval was not obtained by that date. Remaining rights have vested.

The following were the valuation inputs and results of the award for the grant of 56,000,000 performance rights to Mr H McKibbon:

Grant date	24 August 2023
Grant date share price	$0.185
Total fair value	$10,360,000

The fair value of the grant is estimated to be the closing share price on the grant date given that vesting conditions are non-market performance hurdles.

The following were the valuation inputs and results of the award for the grant of 1,000,000 options to Mr G Morissey. A black scholes valuation model was used to perform the valuation:

Grant date	20 June 2024
Exercise price	$0.364
Grant date share price	$0.335
Fair value at grant date	$0.165
Expected volatility	75%
Life	3 years
Dividend yield	-
Interest rate	3.9%
Total fair value	$165,000

The amounts reported as remuneration for key management personnel is based on straight-line amortisation of the total fair value of the issuance over the expected vesting period.

Key Management Personnel Executive Service Contracts

Executive Chairman

Mr Vincent Ippolito

Mr Ippolito was appointed as Executive Chairman of Botanix on 18 July 2019.

The term of Mr Ippolito's employment was agreed to be for three years and will automatically renew for successive periods of one year unless either party gives the other party 60 days' written notice prior to the end of the initial (or renewal) period. Mr Ippolito's salary is contracted to be US$400,000 (AUD$606,066), but Mr Ippolito agreed to take a 50% reduction in salary in the financial year to be paid US$200,000 (AUD$303,033). Mr Ippolito is also eligible to receive an annual bonus of up to 30% of base salary dependent on certain objective performance goals and targets being attained as set by the Board.

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Botanix may terminate Mr Ippolito's employment with or without cause at any time by written notice. Additionally, Mr Ippolito can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 30 days' notice.

Mr. Ippolito's employment can be terminated by either himself or the Company, with good reason, immediately. Without good reason, Mr. Ippolito and the Company must give 30 days' notice. In any circumstance, termination of Mr. Ippolito's employment results in the payment of 12-months' base salary plus a pro-rate portion of his target bonus.

Executive Director

Mr Matthew Callahan

The Company has a consultancy agreement with Thylacine Consulting Pty Ltd for providing consulting of a Key Employee (Mr Callahan). The contract is currently automatically renewing for periods of 1-year at each 30 June anniversary date unless terminated in writing by the Company of Mr Callahan within 30 days of expiry.

Under the terms of the present contract:

- The total consultancy fee payable to Thylacine Consulting in respect of 30 hours of consultancy services per month (Minimum Time Commitment), is a salary of US$260,000 (AUD$396,698) per annum (GST exclusive)
- The consideration payable to Thylacine Consulting for any consultancy services performed in excess of the Minimum Time Commitment is an additional consultancy fee of US$150 (AUD$229) per hour (GST exclusive)
- Termination by the Company or Thylacine Consulting has a notice period of 6 months.

Non-Executive Director

Dr William Bosch

Dr Bosch is engaged as a consultant of the Company pursuant to a consultancy agreement between the Company and Dr Bosch. The contract is currently automatically renewing for periods of 1-year at each 30 June anniversary date unless terminated in writing by the Company or Mr Bosch within 30 days of expiry.

Under the terms of the contract:

- The total consultancy fee payable to Dr Bosch in respect of 30 hours of consultancy services per month (Minimum Time Commitment), is a salary of US$160,000 (AUD$244,122) per annum (GST exclusive).
- The consideration payable to Dr Bosch for any consultancy services performed in excess of the Minimum Time Commitment is an additional consultancy fee of US$150 (AUD$229) per hour (GST exclusive).
- Termination by the Company or Dr Bosch has notice period of 6 months.

Dr Bosch became a non-executive director effective 1 July 2023 but earns no additional salary or fees above the US$160,000 disclosed above.

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Executives

Mr Howard McKibbon

Mr McKibbon was appointed Chief Executive Officer (CEO) effective 24 August 2023. Prior to this, he was the Group's Chief Operating Officer (COO).

During the 2024 financial year as the COO, the term of Mr McKibbon's employment was agreed to be for three years and would automatically renew for successive periods of one year unless either party gives the other party 60 days' written notice prior to the end of the initial (or renewal) period. Mr McKibbon's base salary was US$365,000 (AUD$556,583). Mr McKibbon was also eligible to receive an annual bonus of up to 30% of base salary dependent on certain objective performance goals and targets being attained as set by the Board.

Botanix could terminate Mr McKibbon's employment with or without cause at any time by written notice. Additionally, Mr McKibbon could terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 30 days' notice.

If Mr McKibbon's employment was terminated by the Company without cause or by Mr McKibbon with cause Mr McKibbon would be entitled to receive a payment equivalent to 9 months base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Mr McKibbon.

The term of Mr McKibbon's employment as the CEO was agreed to be for five years. Mr McKibbon's base salary is US$400,000 (AUD$609,954) subject to an annual review. Mr McKibbon is also eligible to receive a target short-term incentive of up to 35% of base salary dependent on certain specified annual performance objectives being attained as set by the Board.

Botanix may terminate Mr McKibbon's employment with cause at any time by written notice. Additionally, Mr McKibbon can terminate his employment for good reason at any time by giving written notice or voluntarily without good reason by giving 90 days' notice.

If Mr McKibbon's employment is terminated by the Company without cause or by Mr McKibbon with cause Mr McKibbon will be entitled to receive a payment equivalent to 12 months base salary and a pro-rata portion of annual bonus unless agreed otherwise between the Company and Mr McKibbon.

Mr Graeme Morissey

Mr Morissey was appointed Chief Financial Officer (CFO) effective 26 March 2024. He is contracted with the Company as a sole proprietor for a term of 6-months and a fixed fee of $62,500. Either the Company or Mr Morissey may terminate the contract:

(a) in the case of Mr Morissey, by giving the Company at least three (3) months' notice in writing.

(b) in the case of the Company, by giving the Consultant at least two (2) months' notice in writing.

No termination amounts are payable under the contract.

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Other non-executive Directors

Upon appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of Director.

Mr Washer receives base fee of AUD$55,000 plus statutory superannuation per annum as a non-executive Director.

Mr Sharp receives a base fee of AUD$65,000 per annum inclusive of superannuation, as a non-executive Director.

No termination amounts are payable under the agreements, nor is there a required notice period.

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Short-term Incentives

As discussed above, certain key management personnel are entitled to short-term cash incentives, calculated as a percentage of their base salary. The Board also exercises its judgment in paying discretionary bonuses in situations where exceptional performance has been identified. As at 30 June 2024, the following short-term incentives in the form of cash bonuses were paid and/or accrued:

Key Management Personnel	Fixed Term Remuneration ("FTR")	Short-term incentive percentage of FTR	At-Risk and Earned During the Period	Additional Bonus Awarded	Total Bonus ($USD)	Total Bonus ($AUD)
Vincent Ippolito	US$200,000	30%	US$60,000	US$156,664	US$216,664	AUD$330,388
Howie McKibbon	US$400,000	35%	US$140,000	US$126,664	US$266,664	AUD$406,632

The short-term cash incentive as a percentage of each key management personnel's FTR will be paid based on the Board's discretion after evaluating overall performance of the key management personnel for the financial year 2024. There is no direct, formal criteria or performance obligations established or measured against.

The additional bonus awards were awarded via Board of Directors' discretion, acknowledging both key management personnel's performance in driving the filing and resubmission of the NDA for the Company's product, Sofdra, during calendar year 2023 and achieving FDA approval by 30 June 2024.

Both key management personnel are paid in USD. The "Total Bonus ($AUD)" column above represents the translated amount in AUD using the average USD:AUD exchange rate during the financial year.

Remuneration Consultants

The Board did not use the services of remuneration consultants during the year in determining the compensation for Directors and executives.

Other transactions with Key Management Personnel

There were no other related party transactions in the year ended 30 June 2024.

Loans to Key Management Personnel

No loans have been made to or received from Key Management Personnel, including their personally related parties.

Voting and comments made at the Company's 2023 Annual General Meeting

The Company received 89.6% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

*************END OF AUDITED REMUNERATION REPORT*************

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LIKELY DEVELOPMENTS & EXPECTED RESULTS OF OPERATIONS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Company that were not finalised at the date of this report.

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with Section 327 of the *Corporation Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2024 has been received and can be found on page 32.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought to or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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SHARE OPTIONS AND PERFORMANCE RIGHTS

Shares under Option

At the date of this report there are unissued shares under option outstanding.

Date Issued	Expiry Date	Exercise Price	Number of shares under option
7 October 2021	7 October 2024	$0.089	6,000,000
22 March 2022	22 March 2025	$0.094	4,000,000
14 April 2022	14 May 2025	$0.072	9,333,333
22 March 2022	22 March 2025	$0.102	5,000,000
14 March 2023	13 March 2026	$0.078	8,500,000
27 July 2023	27 July 2025	$0.18	6,000,000
12 September 2023	12 September 2026	$0.105	1,700,000
1 December 2023	1 December 2025	$0.195	2,000,000
12 July 2024	12 July 2027	$0.364	2,000,000
12 July 2024	12 July 2027	$0.28	4,000,000
12 July 2024	12 July 2028	$0.24	10,000,000
Total			**58,533,333**

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During financial year 2024, a total of 56,231,256 ordinary shares were issued as a result of the exercise of 57,480,773 options with a weighted average exercise price of $0.089 (2023: 7,792,842 ordinary shares were issued as a result of the exercise of 32,572,342 share options). This included exercise of 2,666,666 options (2023: 31,153,639 options) utilising the cashless exercise facility available to employees and consultants of the Company.

Performance Rights

At the date of this report there are unissued shares under performance rights outstanding.

Date Granted	Expiry Date	Exercise Price	Number of shares under option
12 September 2023	31 August 2028	nil	56,000,000

During the 30 June 2024 period, nil shares were issued as a result of the exercise of performance rights (2023: 12,166,665 shares with a weighted average exercise price of $0.00).

Signed in accordance with a resolution of the Directors.

Vincent Ippolito
Executive Chairman
19 September 2024

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF BOTANIX PHARMACEUTICALS LIMITED

As lead auditor of Botanix Pharmaceuticals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Botanix Pharmaceuticals Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit Pty Ltd

Perth

19 September 2024

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BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue from continuing operation			
Sales revenue		601,820	102,934
Total revenue from continuing operations	3	**601,820**	**102,934**
Other income			
Interest income		75,721	65,958
Research and development incentive scheme		1,467,667	3,669,439
Total other income	3	**1,543,388**	**3,735,397**
Employee expenses		(2,254,943)	(1,517,603)
Professional consulting expense	4	(4,324,880)	(2,868,546)
Research expenses		(1,812,938)	(5,727,498)
Depreciation of plant and equipment		(11,642)	(20,535)
Amortisation of right of use asset		-	(89,899)
Amortisation of intellectual property	9	(60,964)	-
Finance expenses		(10,659)	(81,736)
Other expenses	4	(1,363,767)	(1,153,803)
Foreign exchange gain/(loss)		57,208	(11,857)
Share based payments	13	(4,393,072)	(1,520,828)
Inventory provision expense	7	(1,839,260)	-
Total expenses		**(16,014,917)**	**(12,992,305)**
Loss before income tax expense		**(13,869,709)**	**(9,153,974)**
Income tax expense	5	-	-
Loss after income tax for the year		**(13,869,709)**	**(9,153,974)**
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation difference		159,841	236,693
Other comprehensive income for the period, net of tax		159,841	236,693
Total comprehensive loss for the year attributed to members of Botanix Pharmaceuticals Limited		**(13,709,868)**	**(8,917,281)**
Loss per share for the year attributable to members of Botanix Pharmaceuticals Limited			
Basic loss per share (cents)	16	**(0.92)**	(0.79)
Diluted loss per share (cents)	16	**(0.92)**	(0.79)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	79,308,130	10,250,395
Inventory	7	1,209,374	3,147,031
Trade and other receivables	8	817,038	489,124
Research and development incentive scheme refundable	3	1,467,667	-
Prepayments		99,097	92,078
Total Current Assets		**82,901,306**	**13,978,628**
Non-current Assets			
Plant and equipment		71,777	65,376
Intangible assets	9	29,491,543	10,729,375
Other financial assets		-	62,644
Total Non-current Assets		**29,563,320**	**10,857,395**
Total Assets		**112,464,626**	**24,836,023**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	3,624,623	1,733,296
Provisions		107,454	151,700
Total Current Liabilities		**3,732,077**	**1,884,996**
Total Liabilities		**3,732,077**	**1,884,996**
Net Assets		**108,732,549**	**22,951,027**
EQUITY			
Contributed equity	11	188,320,331	93,489,658
Share based payments reserve	12	10,702,140	6,041,423
Foreign currency translation reserve	12	501,719	341,878
Accumulated losses		(90,791,641)	(76,921,932)
Total Equity		**108,732,549**	**22,951,027**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2023		93,489,658	(76,921,932)	6,041,423	341,878	22,951,027
Total comprehensive loss for the year						
Loss for the year		-	(13,869,709)	-	-	(13,869,709)
Total other comprehensive loss		-	-	-	159,841	159,841
Total comprehensive loss for the year		-	(13,869,709)	-	159,841	(13,709,868)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	94,830,673	-	267,627	-	95,098,300
Share based payments	13	-	-	4,393,090	-	4,393,090
Balance at 30 June 2024		**188,320,331**	**(90,791,641)**	**10,702,140**	**501,719**	**108,732,549**

	Note	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2022		71,475,764	(67,767,958)	4,338,786	105,185	8,151,777
Total comprehensive loss for the year						
Loss for the year		-	(9,153,974)	-	-	(9,153,974)
Total other comprehensive loss		-	-	-	236,693	236,693
Total comprehensive loss for the year		-	(9,153,974)	-	236,693	(8,917,281)
Transaction with equity holders:						
Ordinary shares issued net of costs	11	22,013,894	-	181,809	-	22,195,703
Share based payments	13	-	-	1,520,828	-	1,520,828
Balance at 30 June 2023		**93,489,658**	**(76,921,932)**	**6,041,423**	**341,878**	**22,951,027**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024	2023
		$	$
CASHFLOWS FROM OPERATING ACTIVITIES			
Interest received		75,721	65,215
Receipts from customers		1,063,536	518,398
R&D tax concession received		-	3,669,439
Payments to suppliers and employees		(9,266,538)	(16,247,096)
Finance costs		-	(80,020)
Net cash used in operating activities	17	**(8,127,281)**	**(12,074,064)**
CASHFLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(112,700)	(7,572)
Payment for intangibles		(17,886,767)	(7,046,149)
Net cash used in investing activities		**(17,999,467)**	**(7,053,721)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		-	(122,414)
Proceeds from issue of shares		100,854,964	23,590,350
Transaction costs paid from the issue of shares		(5,756,644)	(1,438,359)
Repayment of borrowings		-	(1,849,236)
Proceeds from loan		-	1,849,237
Net cash provided by financing activities		**95,098,320**	**22,029,578**
Net increase in cash held		68,971,572	2,901,793
Cash and cash equivalents at beginning of financial year		10,250,395	7,285,653
Foreign exchange adjustment		86,163	62,949
Cash and cash equivalents at end of financial year	6	**79,308,130**	**10,250,395**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

NOTE 1: REPORTING ENTITY

Botanix Pharmaceuticals Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprises the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Financial Statements and Notes of the Company comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Statements and Notes comply with International Financial Reporting Standards.

Botanix Pharmaceuticals Limited is a company limited by shares. The financial report is presented in Australian currency. The financial report has been prepared on a historical cost basis.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars which is Botanix Pharmaceuticals Limited's functional and presentation currency.

Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The financial statements for the year ended 30 June 2024 have been prepared on the basis that the group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

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NOTE 2: BASIS OF PREPARATION (CONTINUED)

Critical Accounting Estimates and Significant Judgments

The Directors evaluate estimates and judgments incorporated in the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(i) Share based payments

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. For options, the fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. For performance rights, the fair value has been estimated to be the share price on the grant date of the award. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(ii) Share based payments - vesting period

During the current year the Group granted rights to Key Management Personnel, as disclosed in Note 13. The Group has made an assessment on the timing and probability of the achievement of non-market based vesting hurdles in assessing the ongoing vesting of the value of the equity instruments granted.

(iii) Amortisation of intangible assets

The consolidated entity determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Intangible assets commence amortisation from the point they are considered ready for intended use, which also requires estimation and judgement. In the current period, the Company's Sofpironium Bromide Licence was judged to be available for use upon the granting of approval by the US regulators, the FDA. The useful life of the intangible asset is estimated to be approximately 16 years based on a patent period. Management have estimated that the asset will be consumed evenly over the useful life and therefore adopted the straight-line method of amortisation.

(iv) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account sales expectations, the ageing of inventories, expiry dates and other factors that affect inventory obsolescence.

(v) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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NOTE 2: BASIS OF PREPARATION (CONTINUED)

(vi) Capitalisation of internally developed project development

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. The Directors considered the development phase of the Sofpironium Bromide project up to the point of regulatory approval, acknowledging that it had not yet been received, however, the Directors assessed that the Company met the technical feasibility criteria. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

NOTE 3: SALES REVENUE AND OTHER INCOME

	2024 $	2023 $
Royalty fees received	1,034,558	914,973
Royalty fees paid	(432,738)	(812,039)
Sales revenue	**601,820**	**102,934**
Interest income	75,721	65,958
Research and development incentive scheme	1,467,667	3,669,439
Total revenue and other income	**2,145,208**	**3,838,331**

Accounting policy

The Group has adopted AASB 15 Revenue from Contracts with Customers (AASB 15). Although the Company has not commercialised its product in the USA, it does receive royalty fees from a licensee in Japan and a portion of the royalty received is paid in accordance with the asset purchase agreement for its Sofpironium Bromide product. The Group is considered to represent an agent in this scenario and accordingly royalties received are presented net of royalties paid.

Government grants are assistance by the government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Company other than the requirement to operate in certain regions or industry sectors. Government grants relating to income are recognised as income over the periods necessary to match them with the related costs and grants relating to assets are regarded as a reduction in asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised as income of the period in which it becomes receivable. In the circumstance of its research and development incentive scheme other income, the Company recognises the income in the period only when the amount can reasonably be estimated. In the current period, the Company has included the government grant from its financial year 2023 research and development submission with the Australian Tax Office and that amount is outstanding to be collected by the Company as at 30 June 2024.

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NOTE 4: OTHER EXPENSES

Loss before Income Tax includes the following specific expenses:

	2024 $	2023 $
Corporate and commercial consultants	2,595,496	1,438,352
Corporate investor advisory	115,093	152,769
Legal fees	1,114,358	859,547
Other professional fees	499,933	417,878
Professional consulting expense	**4,324,880**	**2,868,546**
Insurance	295,827	222,717
Travel	341,947	306,983
Marketing and promotion	331,314	22,832
Milestone payment	-	445,648
Other operating costs	394,679	155,623
Other expenses	**1,363,767**	**1,153,803**

NOTE 5: INCOME TAX

(a) Income tax expense	2024 $	2023 $
Current tax expense	-	-
Income tax expense	-	-
	-	-
Tax benefit recognised via Equity	1,521,730	(394,114)
Movement in deferred tax asset not recognised via Equity	(1,521,730)	394,114

(b) Reconciliation of tax expense to net profit before tax

Loss before tax	(13,869,709)	(9,153,974)
Tax at the statutory rate of 25% (2022: 30%)	(3,467,427)	(2,288,494)
Tax effect of:		
Difference between Australian and US tax rates	330,677	247,914
Non-deductible expenses	2,251,998	2,015,396
Deductible expenses	(1,176,584)	(624,705)
Income not assessable	(366,917)	(917,360)
Movement in deferred tax assets not recognised	2,428,253	1,567,249
Income tax benefit	-	-

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NOTE 5: INCOME TAX (CONTINUED)

(c) The balance comprises temporary differences attributable to

	2024	2023
Deferred tax assets:	**$**	**$**
Accruals	162,356	34,874
Foreign exchange	-	25
Intangible assets	178,356	126,821
Blackhole	1,494,714	506,661
Depreciable assets	625,903	419,607
Inventory	382,389	-
Research and development credits	3,250,246	3,247,305
Tax losses	20,392,144	18,229,336
Unrecognised deferred tax assets	26,486,108	22,564,629
Deferred tax liabilities	-	-
Net unrecognised deferred tax assets	**26,486,108**	**22,564,629**

Net unrecognised deferred tax assets		
Opening	22,564,629	19,951,907
Current year movement	3,934,742	1,961,363
Effect of foreign exchange on translation	(13,262)	651,359
Deferred tax not recognised	(26,486,108)	(22,564,629)
Closing balance	-	-

No deferred tax asset is recognised in the statements of financial position as it is not probable that the Group will derive tax profits in the future to allow utilisation of the income tax benefits represented by the deferred tax asset. If tax profits are derived in future years, the tax losses and other tax benefits will be able to be offset against this income subject to the Company continuing to meet the relevant statutory tests.

Botanix Pharmaceuticals Limited has not elected to consolidate the Group under the Tax Consolidation Regime, however, the Company may elect to do so in the future.

NOTE 6: CASH AND CASH EQUIVALENTS

	2024	2023
	$	**$**
Cash at bank	79,308,130	10,250,395
Total cash and cash equivalents [(1)]	**79,308,130**	**10,250,395**

(1) Cash and cash equivalents are subject to floating interest rates at an effective weighted average interest rate of 1.25% (30 June 2023: 1.1%) including non-interest-bearing accounts.

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NOTE 7: INVENTORY

	2024	2023
	$	$
Sofpironium Bromide	2,503,409	2,703,579
Packaging	514,333	443,452
Total gross inventory	**3,017,742**	**3,147,031**
Provision for obsolescence[1]	(1,839,260)	-
Translation differences	30,892	-
Total inventory net of provision	**1,209,374**	**3,147,031**

(1) The consolidated entity has estimated a provision for obsolescence of $1,839,260 (30 June 2023: $nil) which represents Sofpironium Bromide that is approaching its expiry date and may not be sold in the normal course of business.

Accounting policy

Raw materials and finished goods are stated at the lower of cost and net realisable value and initially recorded using the first-in, first-out ("FIFO") method. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 8: TRADE AND OTHER RECEIVABLES

	2024	2023
	$	$
Trade receivables	455,696	397,318
Other receivables [1]	361,342	91,806
Total trade and other receivables (net of GST)	**817,038**	**489,124**

(1) Other receivables are non-trade receivables, are non-interest bearing and have an average term of 3 months and generally receivable from the ATO for GST.

The above amounts do not bear interest and their carrying amount is equivalent to their fair value. No trade and other receivables were impaired during the current year.

Trade receivables are generally due for settlement within 30-60 days.

Impairment – Trade receivables

The Group assesses on a forward-looking basis the expected credit loss associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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NOTE 9: INTANGIBLE ASSETS

	2024	2023
	$	$
At cost	29,552,507	10,729,375
Accumulated amortisation	(60,964)	-
	29,491,543	**10,729,375**

Sofpironium Bromide Licences	2024 $	2023 $
Opening balance	10,729,375	3,295,246
Additions	18,831,887	7,322,983
Effects of foreign currency translation	(8,755)	111,146
Amortisation expense	(60,964)	-
Closing balance	**29,491,543**	**10,729,375**

	Acquisition costs $	Development costs $	Total $
Balance at 1 July 2023	6,855,255	3,874,120	10,729,375
Additions [1]	12,927,813	749,636	13,677,449
Additions from internal development	-	5,145,683	5,145,683
Amortisation expense			(60,964)
Balance at 30 June 2024	**19,783,068**	**9,769,439**	**29,491,543**

	Acquisition costs $	Development costs $	Total $
Balance at 1 July 2022	3,295,246	-	3,295,246
Additions [2]	3,560,009	-	3,560,009
Additions from internal development	-	3,874,120	3,874,120
Balance at 30 June 2023	**6,855,255**	**3,874,120**	**10,729,375**

[1] The consolidated entity paid US$8.25m to Fresh Tracks Therapeutics Inc (previously known as Brickell Biotech) in July 2023 to extinguish the contracted future milestone and royalty payments due to Fresh Tracks under its Agreement. Legal fees of AUD$559K were also paid (and capitalised) during the period directly associated with this transaction. In addition, the consolidated entity incurred a US$500k charge from a contractor as a milestone payment that arose upon FDA approval granted for its Sofpironium Bromide product on 18 June 2024.

[2] As part of the acquisition of Sofpironium Bromide, the Company paid US$2m based on a positive "Day-74 letter" being received from the FDA after NDA filing being resolution of an uncertain event in the variable consideration as disclosed at 30 June 2022.

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NOTE 9: INTANGIBLE ASSETS (CONTINUED)

Accounting policy

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Useful life

The Group amortises its Sofpironium Bromide licences straight-line over a useful life of approximately 16 years. Refer to Note 2(iii).

Recoverability

The Group tests whether carrying value of intangible assets not yet ready for use have suffered any impairment on an annual basis in accordance with AASB 136. For the 2024 period, the consolidated entity judged that the intangible asset was available for use on the date of FDA approval, 18 June 2024. Therefore, at balance date, the consolidated entity assessed whether impairment indicators existed that would require a test of recoverability. No impairment indicators were identified.

NOTE 10: TRADE AND OTHER PAYABLES

	2024 $	2023 $
Trade payables [1]	2,728,365	1,390,702
Accrued bonuses	456,202	-
Sundry payables and other accrued expenses	440,056	342,594
	3,624,623	**1,733,296**

[1]Trade payables are non-interest bearing and are normally settled on 30-day terms and are unsecured.

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NOTE 11: CONTRIBUTED EQUITY

(a) Issued and Paid-Up Capital

	2024 Number	2024 $	2023 Number	2023 $
Fully paid ordinary shares	**1,810,037,788**	**188,320,331**	**1,312,460,376**	**93,489,658**

(b) Movements in fully paid shares on issue	**Number**	**$**
Balance as at 1 July 2023	1,312,460,376	93,489,658
Placement at $0.12	104,166,667	12,500,000
Placement at $0.13	103,846,154	13,500,000
Placement at $0.30	233,333,333	70,000,000
Exercise of options at $0.09	48,664,095	4,379,769
Exercise of options at $0.079	6,000,000	475,200
Cashless exercise of options by employee at $0.089[(1)]	1,567,161	79,360
Less: transaction costs [(2)]	-	(6,103,656)
Balance as at 30 June 2024	**1,810,037,788**	**188,320,331**

[(1)] During the period, an employee exercised 2,666,666 of options previously awarded as a share-based payment. These options were exercised using a cashless exercise method available to employees. The amount reported in dollars represents the fair value of the options previously recorded in the Group's share-based payment reserve and transferred to Contributed Equity under its accounting policies.

[(2)] As part of the placements completed during the period, the Company issued 8,000,000 options to the lead manager. The total value of these options recorded as transaction costs was $346,981. Refer to note 13 for further information on the valuation of these options.

Movements in fully paid shares on issue	**Number**	**$**
Balance as at 1 July 2022	973,142,074	71,475,764
Exercise of options [(1)]	6,374,139	-
Placement [(2)]	106,060,609	7,000,000
Placement [(3)]	79,365,080	5,000,000
Share purchase plan [(4)]	15,246,240	960,513
Shares issued to Directors [(2)]	7,575,755	500,000
Exercise of options	1,418,703	127,683
Placement [(5)]	111,111,111	10,000,000
Exercise of performance rights [(6)]	12,166,665	-
Less: transaction costs [(7)]	-	(1,574,302)
Balance as at 30 June 2023	**1,312,460,376**	**93,489,658**

(1) 30,153,639 options exercised during the year utilising the cashless exercise facility in the Employee Securities Incentive Plan with 6,091,310 shares issue on 7 July 2022 and 1,000,000 options were exercised with 282,829 shares issued on 20 March 2023 utilising the cashless exercise facility.

(2) On 12 September 2022, Botanix completed a placement to raise $7,500,000, of which the directors subscribed for $500,000 (subject to shareholder approval which was received in December 2022). Botanix issued 113,636,364 shares at $0.066 per share. In addition, Botanix issued 53,030,464 unlisted free attaching options (Options) on the basis of 1 new Option for 2 new shares. The Directors did not receive Options as part of their subscription. The Options have an exercise price of $0.09 and an expiry date of 12 March 2024.

(3) On 31 October 2022 Botanix completed a placement to raise $5,000,000. Botanix issued 79,365,080 shares at $0.063 per share.

(4) On 30 November 2022, Botanix completed a Share Purchase Plan to raise $960,513. Botanix issued 15,246,240 shares at $0.063 per share.

(5) On 13 April 2023, Botanix completed a placement to raise $10,000,000. Botanix issued 111,111,111 shares at $0.09 per share.

(6) During the 2023 financial year 12,166,665 shares were issued following the exercise of 12,166,665 performance rights by Key Management Personnel.

(7) As part of the placement (note (2)) the Company issued 10,000,000 options to the lead manager for the placement completed in September 2022. The valuation of these options was $181,807.

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NOTE 11: CONTRIBUTED EQUITY (CONTINUED)

(c) Issued Options

	Number
Unlisted Options	**46,533,333**

(d) Movements in options on issue

	2024 Number	2023 Number
Balance as at 1 July	111,111,761	70,153,639
Add: options issued	10,450,000	76,530,464
Less: exercise of options	(57,480,773)	(32,572,342)
Less: forfeiture of options by employee	(2,083,334)	-
Less: expiry and cancellation of options[(1)]	(15,464,321)	(3,000,000)
Balance as at 30 June	**46,533,333**	**111,111,761**

(1) Included in the 30 June 2024 number is 666,667 of options that lapsed but were not yet cancelled by 30 June 2024

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern and to progress development of its technologies toward commercialisation, so as to provide returns to shareholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group monitors capital on the basis of available working capital. The Group relies upon investment funding and equity raising in order to meet its working capital requirements so it may develop its technologies to a stage whereby future commercial benefits can be derived.

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NOTE 12: RESERVES

	2024 $	2023 $
Share based payments reserve		
Balance at beginning of year	6,041,423	4,338,786
Share based payments expense	4,393,090	1,520,828
Exercise of options by employee under the ESIP	(79,354)	-
Issue of options (cost of raising capital)	346,981	181,809
Balance at end of year	**10,702,140**	**6,041,423**
Foreign currency translation reserve		
Balance at beginning of year	341,878	105,185
Effect for foreign currency translation during the year	159,841	236,693
Balance at end of year	**501,719**	**341,878**

Share Based Payments Reserve

The share-based payments include the following:

- Items recognised as expenses on valuation of employee, consultant and director share options and rights.
- Options issued to non-related parties in exchange for cash or services but not yet exercised.

When options or performance rights are exercised by employees under the ESIP, any amounts accumulated in the share based payments reserve for the issuance of those instruments is transferred out of the reserve and into contributed equity.

Foreign Currency Translation Reserve

The foreign currency translation reserve includes the effect of foreign currency translation of foreign subsidiaries at year end.

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NOTE 13: SHARE BASED PAYMENTS

Employee Securities Incentive Plan ("ESIP")

The ESIP was originally approved by shareholders on 14 June 2016 and re-approved on 19 November 2018 and 26 October 2021. In accordance with the provisions of the ESIP, Directors, employees and consultants may be granted options to purchase ordinary shares at an exercise price determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible participants after the Board considers the person's seniority, position, length of service, potential contribution and any other matters which the Board considers relevant.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. The number of options granted are determined by the Board.

Options on issue at 30 June 2024

Description	2024 Number	Weighted Average Exercise Price	2023 Number	Weighted Average Exercise Price
Options				
Opening balance	59,500,000	0.12	70,153,639	0.10
Issued during the period for remuneration [1]	2,450,000	0.105	5,000,000	0.102
Issued during the period to consultants	-	-	8,500,000	0.078
Issued during the period as transaction costs from the issue of shares	8,000,000	0.184	10,000,000	0.094
Exercised during the period	(8,666,666)	0.082	(31,153,639)	(0.051)
Forfeited during the period	(2,083,334)	0.095	-	-
Expired and cancelled during the period	(12,666,667)	0.242	(3,000,000)	(0.115)
Balance at 30 June	**46,533,333**	0.105	**59,500,000**	0.119

The weighted average exercise period is 0.95 years (2023: 1.39 years).

[1] The 5,000,000 options were granted and accounted for during the prior year, but issued during the current year.

Performance Rights on issue at 30 June 2024

Description	2024 Number	Weighted Average Exercise Price	2023 Number	Weighted Average Exercise Price
Performance Rights				
Opening balance	7,333,335	0.00	-	0.00
Issued during the period for remuneration	56,000,000	0.00	19,500,000	0.00
Lapsed during the period	(6,333,335)	0.00	-	0.00
Exercised during the period	-	0.00	(12,166,665)	0.00
Balance at 30 June	**57,000,000**	0.00	**7,333,335**	0.00

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2024 $	2023 $
Share options	1,320,590	542,362
Performance rights	3,072,502	978,466
Total Value of Share Based Payments expense	**4,393,092**	**1,520,828**

Options / performance rights granted in the year ended 30 June 2024

2.45 million Retention Options were issued under the Company's Employee Incentive Plan on 12 September 2023, expiring on 12 September 2026. The exercise price is $0.105 per option, valued at $0.1109 per option. The options vest subject to achievement of hurdles linked to ongoing employment, with the fair value vested over the resulting service periods. $174,219 has been recorded as an expense during the period for these options.

8 million Options were issued to Zenix Nominees following the share placements in July 2023 and December 2023. 6 million options were issued on 27 July 2023, expiring on 27 July 2025. The exercise price is $0.18 per option, and they are valued at $0.0377 per option. 2 million options were issued on 1 December 2023, expiring on 1 December 2025. The exercise price is $0.195 per option, and they are valued at $0.0564 per option. The extended value of these options of $346,981 was recorded as a reduction to Contributed Equity given the options represent a cost of issuing shares, as per note 11.

The Options were valued using Black Scholes with the below assumptions:

	Unlisted options Employee Share Scheme[1]	Unlisted options Broker Options	Unlisted options Broker Options
Number of options in series	2,450,000	6,000,000	2,000,000
Grant date share price	$0.18	$0.13	$0.165
Exercise price	$0.105	$0.18	$0.195
Expected volatility	67.83%	67.29%	72.41%
Option life	3 years	2 years	2 years
Dividend yield	0.00%	0.00%	0.00%
Interest rate	3.73%	3.92%	4.07%

[1]The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

56 million performance rights (PRs) were granted to Howard McKibbon on 24 August 2023 under the Company's ESIP. The performance rights have an expiry date of 31 August 2028 and a nil exercise price. The rights were valued by reference to the share price on grant date of $0.185. The following vesting conditions pertain to Mr McKibbon's performance rights:

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Vesting Condition	Proportion of Rights that will vest
Tranche 1: The date that is 12 months following the FDA approval of Sofpironium Bromide, provided that: • the approved label for Sofpironium Bromide includes an efficacy and safety data set that supports promotion of the product in the US market; and • the CEO has had continuous employment with the Company up to and including that date.	9,333,334 Rights
Tranche 2: The date that is the later of 12 months after the later of the vesting date of Tranche 1, or 30 December 2025, provided that: • the Company has launched Sofpironium Bromide for commercial sale in the United States. • the Company has established a distribution network which is effectively providing reimbursed prescriptions to patients; and • the CEO has had continuous employment with the Company up to and including that date.	9,333,333 Rights
Tranche 3: 12 months after the vesting date of Tranche 2 provided that: • the Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhydrosis; • the Company is generating revenue from prescriptions as a direct result from utilization of the telehealth platform; and • the CEO has had continuous employment with the Company up to and including that date.	9,333,333 Rights
Tranche 4: • Achieving US$45 million of revenue from the sales of Sofpironium Bromide in a financial year • the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights
Tranche 5: • Achieving US$100 million of revenue from the sales of Sofpironium Bromide in a financial year. • the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights
Tranche 6: • Achieving US$150 million of revenue from the sales of Sofpironium Bromide in a financial year. • the CEO has had continuous employment with the Company up to and including that date.	7,000,000 Rights

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Tranche 7:

- Achieving US$250 million of revenue from the sale of products in a financial year.
- the CEO has had continuous employment with the Company up to and including that date.

7,000,000 Rights

Management have assumed a more than likely probability of achievement of all above hurdles.

$2,902,862 has been recorded as an expense during the period for the issue of these performance rights. The fair value of the performance rights has been vested from grant date to expected achievement date in relation to each performance hurdle.

During the period, the Group also granted options and performance rights under its ESIP to employees and consultants as shown in the table on the following page. For options, the Group used a Black Scholes valuation model with the below assumptions. For performance rights, the fair value per instrument is the grant date share price. In all circumstances, under the ESIP, an employee or consultant must be continuously employed with or providing services to the Company on the date of vesting. As in-line with the accounting policy, the fair value of performance rights and options is expensed straight-line from grant date to the expected achievement date in relation to each performance hurdle.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Issuance #1

Type	**Options**	**Performance Rights**	**Performance Rights**	**Performance Rights**
Grant date	10 June 2024	10 May 2024	15 May 2024	13 May 2024
Exercise price	$0.24	$0.00	$0.00	$0.00
Grant date share price	$0.275	$0.275	$0.255	$0.28
Fair value at grant date	$0.168	$0.275	$0.255	$0.28
Expected volatility	75%	N/A	N/A	N/A
Life	4 years	4 years	5 years	4 years
Dividend yield	-	N/A	N/A	N/A
Interest rate	3.9%	N/A	N/A	N/A
Tranche	**Proportion of Rights that will vest**	**Proportion of Rights that will vest**	**Proportion of Rights that will vest**	**Proportion of Rights that will vest**
T1 – the date that is 12 months following FDA approval of Sofpironium Bromide, provided that: • The approved label for Sofpironium Bromide includes an efficacy and safety data set that supports promotion of the produce in the US market	1,500,000	800,000	3,000,000	800,000
T2 – the date that is the later of 12-months after the vesting date of T1, or 30 December 2025, provided that: • The Company has launched Sofpironium Bromide for commercial sale in the United States; and • The Company has established a distribution network which is effectively providing reimbursed prescriptions to patients; and	1,500,000	800,000	3,000,000	800,000
T3 – 12-months after the vesting date of Tranche 2 provided that: • The Company has deployed its digital telehealth platform for the diagnosis of patients with hyperhydrosis; and • The Company is generating revenue from prescriptions as a direct result from utilisation of the telehealth platform.	1,500,000	800,000	3,000,000	800,000
T4 – achieving US$45m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T5 – achieving US$100m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T6 – achieving US$150m of revenue from the sales of Sofpironium Bromide in a financial year.	1,500,000	400,000	1,500,000	400,000
T7 – achieving US$250m of revenue from the sales of Sofpironium Bromide in a financial year.	1,000,000	400,000	1,500,000	400,000

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Issuance #2

Type	**Options**	**Options**	**Options**
Grant date	20 June 2024	14 June 2024	13 June 2024
Exercise price	$0.364	$0.28	$0.28
Grant date share price	$0.335	$0.33	$0.31
Fair value at grant date	$0.165	$0.183	$0.167
Expected volatility	75%	75%	75%
Life	3 years	3 years	3 years
Dividend yield	-	-	-
Interest rate	3.9%	3.9%	3.9%
Tranche	**Proportion of Rights that will vest**	**Proportion of Rights that will vest**	**Proportion of Rights that will vest**
T1 – on FDA approval of Sofdra	1,000,000	2,000,000	1,000,000
T2 – 12-months from FDA approval of Sofdra	500,000	1,000,000	500,000
T3 – 24-months from FDA approval of Sofdra	500,000	1,000,000	500,000

$1,222,214 has been recorded as an expense during the period for the issue of these options (*Issuance #1* and *Issuance #2*). The fair value of the options has been vested from grant date to expected achievement date in relation to each performance hurdle.

NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Options / performance rights granted in the year ended 30 June 2023

8.5 million Options (valued at $0.0358 per option) were issued to Consultants on 14 March 2023, vesting 33.33% at 6, 12 and 24 months respectively from the issue date. Unvested options will expire if contractors cease to be engaged by the Group.

$158,746 has been recorded as an expense in the 2024 year for the issue of these options (2023: $111,016).

The Options were valued using Black Scholes with the below assumptions:

	Unlisted options
Number of options in series	8,500,000
Grant date share price	14 March 2023
Exercise price	$0.078
Expected volatility	65.0%
Option life	3 years
Dividend yield	0.0
Interest rate	3.22%

2.45 million Options (valued at $0.0408 per option) were issued to Employees on 8 June 2023, vesting 33.33% at 6, 12 and 24 months respectively from the issue date. Unvested options will expire if employees cease to be employed by the Group.

$32,136 has been recorded as an expense in the 2043 year for the issue of these options (2023: $26,307).

The Options were valued using Black Scholes with the below assumptions:

	Unlisted options
Number of options in series	2,450,000
Grant date share price	Note 1
Exercise price	$0.105
Expected volatility	65.0%
Option life	3 years
Dividend yield	0.0
Interest rate	3.22%

Note 1: the options had not been issued as at 30 June 2023 but were approved prior to 30 June 2023. These options were issued on 12 September 2023.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

10 million options vesting immediately, were issued to the lead manager for the placement completed in September 2022. The value of these options was capitalised as a cost of raising capital as per Note 14. The options expire on 12 September 2024. The exercise price and value of options are:

6m options with an exercise price of $0.08 per option valued at $0.021 per option.

2m options with an exercise price of $0.10 per option valued at $0.017 per option.

2m options with an exercise price of $0.13 per option valued at $0.012 per option.

The options were valued using Black Scholes with the below assumptions:

	Unlisted options	Unlisted options	Unlisted options
Number of options in series	6,000,000	2,000,000	2,000,000
Grant date share price	$0.066	$0.066	$0.066
Exercise price	$0.079	$0.099	$0.132
Expected volatility	65%	65%	65%
Option life	2 years	2 years	2 years
Dividend yield	0.00%	0.00%	0.00%
Interest rate	3.22%	3.22%	3.22%

13 million performance rights (valued at $0.063 per right) were granted to Directors on 21 November 2022 upon shareholder approval. One third of these rights vest on receipt of the Day 74 letter; one third on mid-cycle review (both vesting conditions satisfied) and one third on FDA approval. A $147,000 expense reversal was recorded in the 30 June 2024 period due to the lapse of the third tranche linked to the achievement of FDA approval prior to 31 December 2023 (2023: $693,000 expense recorded).

The performance rights were valued with reference to the share price on grant date ($0.063).

6 million performance rights (valued at $0.057 per right) were granted to Key Management Personnel on 29 December 2022. One third of these rights vest on receipt of the Day 74 letter; one third on mid-cycle review (both vesting conditions satisfied) and one third on FDA approval. A $57,466 expense reversal was recorded in the 30 June 2024 period due to the lapse of the third tranche linked to the achievement of FDA approval prior to 31 December 2023 (2023: $285,466 expense recorded).

The performance rights were valued with reference to the share price on grant date ($0.057).

A further 0.5 million performance rights were granted to other employees on consistent terms and conditions.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

Accounting Policy

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Performance rights (in the absence of market based vesting hurdles) are valued at share price on grant date.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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NOTE 13: SHARE BASED PAYMENTS (CONTINUED)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTE 14: RELATED PARTY TRANSACTIONS

(a) Parent Entities

The parent entity of the Group is Botanix Pharmaceuticals Limited. The ultimate Australian parent entity in the group is Botanix Pharmaceuticals Limited which at 30 June 2024 owns 100% of the issued ordinary shares of Botanix Pharmaceuticals Inc. (incorporated in Delaware, United States of America) and Botanix SB Inc. (incorporated in Delaware, United States of America)

b) Subsidiaries

Interests in subsidiaries are set out in Note 21 Subsidiaries

(c) Loans Due to Subsidiaries

Loans between entities in the wholly owned Group are not interest bearing and are payable upon demand.

(d) Key Management Personnel Compensation

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2024 $	2023 $
Short term employee benefits	2,465,427	1,673,150
Post-employment benefits	35,089	26,075
Share based payments	2,881,693	1,279,478
	5,382,209	**2,978,703**

(e) Other transactions with Key Management Personnel

There were no other related party transactions in the year ended 30 June 2024 (30 June 2023: $nil).

(f) Loans to Key Management Personnel

No loans have been made to Key Management Personnel, including their personally related parties, of Botanix Pharmaceuticals Limited.

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NOTE 15: FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including interest rate risk, currency risk, credit risk and liquidity risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Board of Directors.

Financial Risk

The main risks the Group is exposed to through financial instruments are market risk (including currency risk, interest rate risk, liquidity risk, and credit risk).

The Group holds the following financial instruments:

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	79,308,130	10,250,395
Other receivables	817,038	489,124
Research and development refund recoverable	1,467,667	-
Total financial assets	**81,592,835**	**10,739,519**
Financial liabilities		
Trade and other payables	3,624,623	1,733,296
Total financial liabilities	**3,624,623**	**1,733,296**

(a) Market Risk

(i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United States dollar. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency, and changes in value of convertible note liability and convertible note derivative. The risk is measured using sensitivity analysis and cashflow forecasting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for the US dollar for working capital purposes.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditure of the Group.

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NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

Group Sensitivity

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian dollars and United States dollars.

(ii) Cash flow interest rate risk

The Group's main interest rate risk arises from interest bearing cash deposits.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

		2024		2023	
		%	$	%	$
Financial assets					
Cash[1]	Floating rate	1.25	4,660,328	1.23	8,967,734

[1]Excludes any non-interest-bearing accounts.

Group Sensitivity

If the weighted average interest rates had changed on the instruments in the above tables by plus/minus 75 basis points the effect to the Groups post-tax loss for the year would have been $34,952 (2023: $67,258) lower/higher.

The method used to arrive at the possible change of 75 basis points was conservatively based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards a decrease in interest rate ranging between 0 to 50 basis points. It is considered that 75 basis points is a 'reasonably possible' estimate as it more than accommodates for the maximum variations inherent in the interest rate movement over the past five years.

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as receivables for subsidiaries. The Board manages credit risk by ensuring that the banks and financial institutions where cash and deposits are held are independently rated parties with a minimum rating of 'A'.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 58. The credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about counterparty default risk. All financial assets are with customers with no history of default and have been customers for greater than six months.

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NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk and Liquidity Risk Management

Prudent liquidity risk management implies maintaining sufficient cash to support the activities of the Company. The Group manages liquidity risk by continuously monitoring forecasted and actual cash flows.

The Board monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6 - 12 months	Greater than 12 months	Total contractual Cashflows	Carrying Amount
	$	$	$	$	–
Group - at 30 June 2024					
Financial liabilities	3,624,623	-	-	3,624,623	3,624,623
Group - at 30 June 2023					
Financial liabilities	1,733,296	-	-	1,733,296	1,733,296

(d) Fair Value Estimation

The Group does not have any financial assets or financial liabilities measured at fair value.

Accounting policy:

(i) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(ii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

- Assets and liabilities for each reporting date presented are translated at the closing rate at the date of that statements of financial position;
- Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Profit or Loss, as part of the gain or loss on sale where applicable.

NOTE 16: LOSS PER SHARE

	2024 $	2023 $
Continuing operations		
Basic loss per share – cents	(0.92)	(0.79)
Diluted loss per share – cents	(0.92)	(0.79)
Loss used in the calculation of basic and diluted loss per share	(13,869,709)	(9,153,974)

	2024 No	2023 No
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	1,501,563,514	1,153,951,540
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share	1,501,563,514	1,153,951,540

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are not considered dilutive.

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NOTE 17: OPERATING CASH FLOW INFORMATION

	2024 $	2023 $
Loss for the year	(13,869,709)	(9,153,974)
Adjustments for:		
Share based payments	4,393,072	1,520,828
Depreciation and amortisation	72,607	110,434
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(2,344,274)	(409,987)
(Increase) in Inventories	1,683,366	(102,684)
Increase/(Decrease) in trade, other payables and	1,937,657	(4,038,680)
Net cash flows used in operations	**(8,127,281)**	**(12,074,064)**

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NOTE 18: PARENT ENTITY DISCLOSURES

As at 30 June 2024, and throughout the year then ended, the parent company of the Group was Botanix Pharmaceuticals Limited.

Financial position

	2024 $	2023 $
Assets		
Current assets	78,686,504	9,325,788
Non-Current Assets	51,904,174	27,801,162
Less Provision for impairment Assets (loans to subsidiaries)	(21,482,756)	(13,314,701)
Total assets	**109,907,922**	**23,812,249**
Liabilities		
Current liabilities	375,373	461,222
Total liabilities	**375,373**	**461,222**
Net Assets	**108,732,549**	**22,951,027**
Equity		
Issued capital	187,262,411	92,431,738
Accumulated losses	(89,232,001)	(75,522,130)
Share-based payments	10,702,140	6,015,115
Total Equity	**108,732,550**	**22,951,027**

Financial performance

	2024 $	2022 $
Loss for the period	(13,709,871)	(8,890,973)
Total comprehensive loss	(13,709,871)	(8,890,973)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Investments in associates are accounted for at cost, less any impairment, in the parent entity.

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NOTE 19: SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments geographically. The chief operating decision makers of the Group are the executive Directors. At 30 June 2024 all revenues and material assets are considered to be derived and held in two geographical areas being Australia and United States as set out below:

	Australia 2024 $	United States 2024 $	Total 2024 $
Revenue from continuing operations	-	601,821	601,821
Other Revenue	1,543,388	-	1,543,388
Expenditure on continuing operations	7,085,204	8,929,714	16,014,918
Current Assets	78,686,504	4,214,803	82,901,307
Non-Current Assets	1,006,573	28,556,747	29,563,320
Total Assets	**79,693,077**	**32,771,550**	**112,464,627**
Current Liabilities	375,373	3,356,704	3,732,077
Total Liabilities	**375,373**	**3,356,704**	**3,732,077**
Net Assets	**79,317,704**	**29,414,846**	**108,732,550**

	Australia 2023 $	United States 2023 $	Total 2023 $
Revenue from continuing operations	65,212	103,680	168,892
Other Revenue	3,669,439	-	3,669,439
Expenditure on continuing operations	6,690,788	6,301,517	12,992,305
Current Assets	9,325,788	4,652,840	13,978,628
Non-Current Assets	456,564	10,400,831	10,857,395
Total Assets	**9,782,352**	**15,053,671**	**24,836,023**
Current Liabilities	461,222	1,423,774	1,884,996
Total Liabilities	**461,222**	**1,423,774**	**1,884,996**
Net Assets	**9,321,130**	**13,629,897**	**22,951,027**

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NOTE 20: AUDITOR'S REMUNERATION

	2024 $	2023 $
Amounts paid/payable to auditor		
Audit and review services - payable to BDO Audit Pty Ltd	100,000	73,500
Other services:		
Tax advisory	3,502	-
Total services provided by BDO	**103,502**	**73,500**

The BDO entity performing the audit of the group transitioned from BDO Audit (WA) to BDO Audit Pty Ltd on 5 June 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective related entities.

NOTE 21: SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2024 %	Equity Holding 2023 %
Botanix Pharmaceuticals Inc.	Delaware, United States of America	Ordinary	100	100
Botanix SB Inc.	Delaware, United States of America	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

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NOTE 22: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 12 July 2024, the Group issued 23,000,000 performance rights and 16,000,000 options. Further, the Group will issue an additional 3,000,000 options to staff and consultants working for Botanix. All these instruments have been accounted for in these financial statements as they were determined to be granted for accounting purposes in the 30 June 2024 period. Therefore, refer to note 13 of the financial statements for details to the terms, conditions and valuation of these instruments labelled as Issuance #1 and Issuance #2.

On 4 September 2024, 2,000,000 options expiring on 12 September 2024 were exercised at $0.099 and 2,000,000 options expiring on 12 September 2024 were exercised at $0.132. Therefore, 4,000,000 ordinary shares of the Company were issued.

Other than the matters above there are no matters or circumstances which have arisen since the end of the year which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 23: CONTINGENT LIABILITIES AND COMMITMENTS

On 21 July 2023, the Company negotiated an agreement with Fresh Tracks to extinguish all of the potential future financial obligations owed under the Asset Purchase Agreement for Sofpironium Bromide gel, in exchange for the payment of US$8.25M. The Company will retain an obligation to the head licensor, Bodor Laboratories, to pay a 5% royalty on net sales made by Botanix.

In addition, the Company has incurred a charge from Bodor Laboratories (“Bodor”) of US$500,000 upon FDA approval of its Sofpironium Bromide product and, under the terms of its contract with Bodor, is to pay US$100,000 upon each subsequent FDA approval of an additional product.

Other than set out in this note, the Directors are not aware of any non-cancellable commitments as at 30 June 2024 not reflected in the financial statements. The Directors are not aware of any contingent liabilities that may arise from the Group’s operations as at 30 June 2024.

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NOTE 24: OTHER MATERIAL ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Impairment of goodwill and other indefinite life assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(b) Asset acquisition

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

(c) Research and Development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs will be amortised once ready for use on a straight-line basis over the period of their expected benefit, being their finite life.

(d) New accounting standards and interpretations

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting year.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

(e) Standards and Interpretations not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

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BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

Consolidated Entity Disclosure Statement
As at 30 June 2024

Name of entity	Type of entity	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Botanix Pharmaceuticals Limited	Body Corporate	N/A	Australia	Australian[1]	N/A [1]
Botanix Pharmaceuticals Inc.	Body Corporate	100	United States of America	Foreign	United States of America
Botanix SB Inc.	Body Corporate	100	United States of America	Foreign	United States of America

[1] Botanix Pharmaceuticals Limited is also considered a tax resident of the United States of America for United States of America domestic tax purposes. Botanix Pharmaceuticals Limited files an annual US tax return

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

(a) Australian tax residency: the consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency: where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

BOTANIX PHARMACEUTICALS LIMITED
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DIRECTORS' DECLARATION

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 33 to 68, and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

d) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



Vincent Ippolito
Executive Chairman
19 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Botanix Pharmaceuticals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Botanix Pharmaceuticals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Capitalisation and recoverability of Development Asset

Key audit matter	How the matter was addressed in our audit
The carrying value of the capitalised development costs as at 30 June 2024 and the Group's accounting policy is disclosed in Note 9 of the financial report. These costs were in relation to the acquisition and development of the Sofpironium Bromide project ('Sofdra'). The capitalisation of internally generated development assets was assessed as being a key audit matter due to the significance of the costs capitalised and the specific criteria that are required to be met for capitalisation under the accounting standard AASB 138. The criteria involves management judgement with respect to: • The technical feasibility of the project and likelihood of the project delivering future economic benefit; • The ability to measure costs reliably, including determining whether the costs are directly attributable to the project and whether costs incurred are research in nature that should be expensed, or development costs eligible for capitalisation; and • Timing of amortisation and assessment of useful life. There is also management judgement involved in assessing whether indicators of impairment exist in relation to capitalised development costs at 30 June 2024. The critical accounting estimates and significant judgements exercised by management are described in Note 2 (iii), (v) and (vi) to the financial report.	In addressing this matter our procedures included, but were not limited to the following: • Holding discussions with management to understand the nature and feasibility of the development project; • Evaluating the key assumptions used for estimates made in capitalising costs related to the development phase of the project, the generation of probable future economic benefits and the technical feasibility of the project; • On a sample basis, testing whether costs capitalised during the year met the development costs criteria; • Assessing management's assumptions in relation to timing of amortisation and the useful life applied to capitalised software development costs; • Evaluating management's assessment of indicators of impairment in relation to the capitalised development costs at 30 June 2024 and the key assumptions used by management in arriving at their conclusion; and • Assessing the adequacy of the disclosures in Notes 2 (iii), (v), (vi) and 9 to the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 29 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Botanix Pharmaceuticals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Dean Just

Director

Perth, 19 September 2024

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BOTANIX PHARMACEUTICALS LIMITED
ACN: 009 109 755

ASX ADDITIONAL INFORMATION

The Shareholder information set out below was applicable as at 10 September 2024.

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company is 1,814,037,788 ordinary fully paid shares.

1. TOP 20 SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	158,445,435	8.73%
2	NATIONAL NOMINEES LIMITED	111,876,013	6.17%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	99,001,452	5.46%
4	SHENASABY INVESTMENTS PTY LTD <THE SHENASABY A/C>	73,420,124	4.05%
5	UBS NOMINEES PTY LTD	53,608,927	2.96%
6	CAPERI PTY LTD <CAPERI A/C>	52,573,784	2.90%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	47,689,862	2.63%
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	34,339,755	1.89%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	25,783,783	1.42%
10	ZENITH PACIFIC LIMITED	22,272,222	1.23%
11	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	20,067,318	1.11%
12	DR HENRY WILLIAM BOSCH	18,836,702	1.04%
13	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	15,166,667	0.84%
14	MOFFATT INVESTMENTS PTY LTD <MATTHEW MOFFATT FAMILY A/C>	12,378,182	0.68%
15	ROLLO CORP PROPERTY HOLDINGS PTY LTD <ROLLO CORP PROPERTY A/C>	10,930,000	0.60%
16	MR VINCENT PETER IPPOLITO	10,801,644	0.60%
17	BNP PARIBAS NOMS PTY LTD	9,542,034	0.53%
18	UBS NOMINEES PTY LTD	9,523,810	0.53%
19	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	8,277,790	0.46%
20	MR NICOLAS STEPHANE FAYD'HERBE <FAYD'HERBE FAMILY A/C>	7,888,032	0.43%
	Total	**802,423,536**	**44.23%**

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ASX ADDITIONAL INFORMATION (CONTINUED)

2. COMBINED DISTRIBUTION

Shares Range	No. of Holders	No. of Shares
1 – 1,000	195	36,772
1,001 – 5,000	2,169	6,786,856
5,001 – 10,000	1,779	14,078,350
10,001 – 100,000	4,383	163,073,000
100,001 and over	1,624	1,630,062,810
	10,150	**1,814,037,788**

Number holding less than a marketable parcel at $0.425 per share: 203

3. SUBSTANTIAL SHAREHOLDERS

Name of substantial holder	Total holding	% of total shares	Date of notice
Insignia Financial Ltd	187,150,760	10.34%	28 June 2024
Shenasaby Investments Pty Ltd	74,586,791	5.25%	1 August 2023

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ASX ADDITIONAL INFORMATION (CONTINUED)

4. UNLISTED EQUITY SECURITIES

Options Range and number of holders

	Unlisted options At $0.089 Expiring 7 Oct 2024	Unlisted options At $0.094 Expiring 22 Mar 2025	Unlisted options At $0.072 Expiring 14 May 2025	Unlisted options At $0.105 Expiring 12 Sep 2026
Over 100,001	5	1	1	2
Total Holders	**5**	**1**	**1**	**3**
Number of Options	**6,000,000**	**4,000,000**	**9,333,333**	**1,700,000**

	Unlisted options At $0.195 Expiring 1 Dec 2025	Unlisted options At $0.364 Expiring 12 Jul 2027	Unlisted options At $0.28 Expiring 12 Jul 2027	Unlisted options At $0.102 Expiring 22 Mar 2025
Over 100,001	1	2	1	1
Total Holders	**1**	**2**	**1**	**1**
Number of Options	**2,000,000**	**2,000,000**	**4,000,000**	**5,000,000**

	Unlisted options At $0.078 Expiring 13 Mar 2026	Unlisted options At $0.18 Expiring 27 Jul 2025	Unlisted options At $0.24 Expiring 12 Jul 2028
Over 100,001	3	1	1
Total Holders	**3**	**1**	**1**
Number of Options	**8,500,000**	**6,000,000**	**10,000,000**

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ASX ADDITIONAL INFORMATION (CONTINUED)

Performance Rights Range and number of holders

	Unlisted performance rights At $Nil Expiring 30 Nov 2026
Over 100,001	1
Total Holders	**1**
Number of Options	**666,666**

5. VOLUNTARY ESCROW

There are currently no holders with shares in voluntary escrow.

6. VOTING RIGHTS

Ordinary Shares
On a show of hands, every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
Options carrying no voting rights. Options convert to one ordinary share upon exercise.

Performance rights
Performance rights carrying no voting rights. Performance rights convert to one ordinary share upon exercise.

7. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of the Company's listed securities.

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8. Corporate Governance

The Board of Botanix Pharmaceuticals Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://botanixpharma.com/.

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